IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH, NAGPUR
Income Tax Appeal No. 35/2003
The Commissioner of Income Tax-II, Nagpur vs. M/s Ravi Pharma, Yavatmal.

Notes, Office Memoranda of Coram, appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's Orders.

CORAM : A.P. Lavande & R.V.More,JJ
DATE : 24.8.2007

Heard Mr. Anand Parchure, learned counsel for the appellant and Mr. Dewani, learned counsel for the respondent.

By this appeal the appellant takes exception to the order dated 28.10.2002 passed by the Income Tax Appellate Tribunal, Nagpur by which appeal filed by the revenue as well as cross-objection filed by the assessee were dismissed.

In the present case a search under section 132(1) of the Income Tax Act was conducted at the

business premises of the assessee on 16.1.1997 wherein various incriminating documents were seized by the department. The assessee filed return for the block period from 1.4.1984 to 16.1.1997 declaring undisclosed income at nil. During the search statement dated 31.3.1996 was seized in which stock as on 31.3.1996 was shown as Rs. 9,46,575/- as against the closing stock of Rs. 4,92,295/- shown by the assessee in the balance sheet. The explanation given by the assessee was not accepted by the assessing officer and, therefore, it treated the difference of Rs. 4,44,350/- as undisclosed income for the accounting year 1996-97. In appeal preferred by the assessee before the CIT(A) it was submitted that the closing stock of Rs. 9,46,575/- was patently wrong as such the action of A.O. in making addition of Rs. 4,54,350/- was illegal. The learned CIT(A) accepted the contention of the assessee and accordingly deleted addition of Rs. 4,54,350/-. The revenue filed appeal before the ITAT which after perusing the order passed by the CIT(A) and after appreciating the material

on record dismissed the appeal.

Having heard the learned counsel for the revenue as well as assessee we find that approach of CIT(A) as well As ITAT in deleting the addition of Rs. 4,54,350/- cannot be faulted. In our opinion, the reasons given by the ITAT for holding that the addition of the said amount as ordered by the A.O. could not be upheld cannot be said to be perverse. Having regard to the findings given in the impugned order we find no perversity or illegality in the impugned order. In our opinion no substantial question of law is involved in the present appeal and, therefore, the appeal is dismissed.

Judge **Judge**

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